

# PERFORMANCE UPDATE

## STATE OF IOWA 403B PLAN

**Average Annual Total Returns as of: 09/30/2008** (shown in percentages)

Mutual funds offered through a retirement plan are investments designed for retirement purposes. Early withdrawals will reduce your account value and if taken prior to age 59 1/2, a 10% IRS penalty may apply.

**The performance data quoted represents past performance. Past performance does not guarantee future results. For month-end performance which may be lower or higher than the performance data shown please call 800-584-6001. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.**

An administrative expense of 0.10% on an annual basis applies to each of investment options offered under the plan not including the ING Fixed Plus Account III. The performance data shown below does not reflect the administrative expense. If such fees had been reflected, the performance data shown for each option would have been lower.

The returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses. They do not reflect any plan level administrative fees, if applicable; if reflected, returns would be less favorable.

**You should consider the investment objectives, risks and charges, and expenses of the funds carefully before investing. The prospectus contains this and other information. Anyone who wishes to obtain a free copy of the fund prospectuses may call their ING representative or the number above. Please read the prospectus carefully before investing.**

Returns less than one year are not annualized. Fund Inception Date is the date of inception for the underlying fund, and is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
<b>Stability of Principal</b>											
ING Fixed Plus Account III (1)(11)	0.28	0.87	2.61	3.50	3.50	3.59	4.46				
<b>Money Market</b>											
ING Money Market Fund - Class I (4)	0.16	0.51	1.97	3.17	4.11	3.02	3.29		01/03/1992	0.62	0.62
<i>The 7-day annualized yield as of 09/30/2008 is 1.86%, which more closely reflects current earnings. (10)</i>											
<b>Bonds</b>											
<b>High Yield Bond</b>											
Pioneer High Yield Fund - Class A	-9.62	-11.44	-13.02	-14.25	0.97	3.97	9.78		02/12/1998	1.10	1.10
<b>Intermediate Government</b>											
ING GNMA Income Fund - Class I (5)	0.54	1.43	3.02	6.06	4.93	4.05	5.32		08/17/1973	0.65	0.65
<b>Intermediate-Term Bond</b>											
ING PIMCO Total Return Portfolio - Service Class (2)	-5.59	-5.56	-5.00	-1.13	2.72	2.89		4.11	05/01/2002	0.96	0.95
<b>Asset Allocation</b>											
<b>Lifecycle</b>											
ING Solution 2015 Portfolio - Service Class	-7.10	-7.44	-13.35	-14.32	0.73			2.19	04/29/2005	1.01	1.01
ING Solution 2025 Portfolio - Service Class	-8.58	-9.40	-17.88	-19.51	-0.34			1.69	04/29/2005	1.09	1.09
ING Solution 2035 Portfolio - Service Class	-9.43	-10.55	-20.04	-21.75	-0.42			1.86	04/29/2005	1.12	1.12
ING Solution 2045 Portfolio - Service Class	-10.26	-11.68	-21.83	-23.61	-0.68			2.09	04/29/2005	1.15	1.15
ING Solution Income Portfolio - Service Class	-4.96	-5.26	-7.95	-7.79	1.68			2.23	04/29/2005	0.94	0.94
<b>Balanced</b>											
<b>Moderate Allocation</b>											
Pax World Balanced Fund	-8.90	-10.75	-16.78	-16.45	0.44	5.32	5.18		08/10/1971	0.96	0.96
<b>Large Cap Value</b>											



Investment Options	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Incept	Fund Inception Date	Gross Fund Exp %*	Net Fund Exp %*
<b>Large Blend</b>											
Fundamental InvestorsSM - Class R-4	-11.87	-15.13	-21.37	-22.16	2.95	9.45	7.14		08/01/1978	0.66	0.66
ING Stock Index Portfolio - Service Class	-9.03	-8.52	-19.64	-22.35				-10.41	01/24/2007	0.51	0.51
<b>Large Value</b>											
Allianz NFJ Dividend Value Fund - Class A	-7.27	-7.14	-16.61	-19.48	3.34	9.26		8.75	10/31/2001	1.05	1.05
<b>Large Cap Growth</b>											
<b>Large Growth</b>											
The Growth Fund of America® - Class R-4 (6)	-11.95	-15.05	-20.76	-22.93	0.78	6.92	8.45		12/01/1973	0.68	0.68
<b>Small/Mid/Specialty</b>											
<b>Mid-Cap Blend</b>											
CRM Mid Cap Value Fund - Investor Shares	-10.69	-8.91	-16.57	-18.20	3.17	10.72		11.17	09/20/2000	1.04	1.04
<b>Mid-Cap Growth</b>											
ING FMR Diversified Mid Cap Portfolio - Service Class	-13.63	-15.21	-20.66	-22.59	1.64	10.89		4.93	10/02/2000	0.88	0.88
<b>Mid-Cap Value</b>											
ING JPMorgan Mid Cap Value Portfolio - Service Class	-7.40	-6.21	-14.65	-17.65	0.87	8.18		7.61	05/01/2002	1.25	1.25
<b>Small Blend</b>											
ING Small Company Fund - Class I	-8.83	-3.47	-9.73	-13.56	4.06	8.80	9.56		01/04/1994	1.12	1.12
<b>Small Growth</b>											
ING Baron Small Cap Growth Portfolio - Service Class	-9.05	-6.82	-19.56	-21.70	0.38	8.35		7.39	05/01/2002	1.33	1.31
<b>Small Value</b>											
ING Columbia Small Cap Value II Portfolio - Service Class	-9.09	-5.29	-13.00	-16.75				-3.66	05/01/2006	1.13	1.13
<b>Specialty - Real Estate</b>											
ING Van Kampen Real Estate Portfolio - Service Class	-2.91	3.17	-1.00	-15.51	5.54	14.36	12.91		01/24/1989	0.89	0.89
<b>Global / International</b>											
<b>Foreign Large Blend</b>											
ING Julius Baer Foreign Portfolio - Service Class	-13.48	-21.32	-30.22	-29.14	2.51	10.66		7.13	05/01/2002	1.14	1.14
<b>Foreign Large Growth</b>											
ING Marsico International Opportunities Port - Serv Class (3)	-14.61	-21.16	-31.05	-30.15	4.12			7.80	05/02/2005	0.97	0.93
<b>Foreign Large Value</b>											
ING International Value Fund - Class I (7)(8)	-10.10	-12.83	-24.33	-25.17	2.89	11.61	10.95		03/06/1995	1.23	1.23
<b>World Stock</b>											
Capital World Growth and Income FundSM - Class R-4 (9)	-10.73	-15.16	-23.69	-23.50	4.65	11.53	10.52		03/26/1993	0.81	0.81

The risks of investing in small company stocks may include relatively low trading volumes, a greater degree of change in earnings and greater short-term volatility.

Foreign investing involves special risks such as currency fluctuation and public disclosure, as well as economic and political risks.

Some of the Funds invest in securities guaranteed by the U.S. Government as to the timely payment of principal and interest; however, shares of the Funds are not insured nor guaranteed.

High yielding fixed-income securities generally are subject to greater market fluctuations and risks of loss of income and principal than are investments in lower yielding fixed-income securities.

Sector funds may involve greater-than average risk and are often more volatile than funds holding a diversified portfolio of stocks in many industries. Examples include: banking, biotechnology, chemicals, energy, environmental services, natural resources, precious metals, technology, telecommunications, and utilities.

\*The Gross Expense Ratios shown do not reflect any temporary fee or expense waivers that may be in effect for a fund. The performance of a fund with a temporary fee or expense waiver would have been lower if the gross fund fees / expenses listed had been reflected.

#### Additional Notes

(1) The CURRENT rate for the ING Fixed Plus Account III Other-Option 1, Fund 668 is 3.50%, expressed as an annual effective yield, and is guaranteed not to drop below 3.15% through 12/31/2008. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions may apply to transfers of funds from the Fixed Account to other contract investment options. Please refer to your product prospectus / disclosure booklet and call your 800 number for more information.

### Additional Notes

(2) ING PIMCO Total Return Portfolios: DSL has contractually agreed to waive a portion of the advisory fee. Based upon net assets as of February 29, 2008, the advisory fee waiver for this Portfolio would equal (0.01)%. This advisory fee waiver will continue through at least April 1, 2009. There is no guarantee that this waiver will continue after this date. The agreement will only renew if DSL elects to renew it.

(3) ING Marsico International Opportunities Port - Serv Class: DSL has entered into a written expense limitation agreement under which it will limit expenses for the Portfolio excluding taxes, brokerage and extraordinary expenses, subject to possible recoupment by DSL within three years. This expense limitation agreement will continue through at least May 1, 2009. The agreement is contractual and shall renew for one-year terms unless DSL provides written notice of the termination of the expense limitation agreement at least 90 days prior to the end of the then current terms or upon termination of the management agreement.

(4) An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, there is no assurance it will be able to do so. While the fund's objective includes the preservation of capital, it is possible to lose money by investing in the fund.

(5) ING GNMA Income Fund - Class I has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A. The performance information above is based upon the Class A performance, excluding sales charges, and has not been adjusted by the fee differences between classes.

(6) The Growth Fund of America - Class R-4 commenced operations on May 15, 2002. Class R-4 has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A. The performance information above prior to May 15, 2002 is based upon the Class A performance adjusted by the fee differences between classes.

(7) ING International Value Fund - Class I commenced operations on May 9, 2001. It has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as the ING International Value Fund - Class A. Prior to May 9, 2001, the performance information above is based upon the Class A performance, excluding sales charges, and has not been adjusted by the fee differences between classes.

(8) The ING International Value Fund - Class I is available for investment through plans that established an account under the contract prior to June 28, 2002.

(9) The Capital World Growth and Income FundSM - Class R-4 commenced operations on May 15, 2002. The fund has identical investment objectives and policies, the same portfolio manager, and invests in the same holdings as Class A of this fund. The performance information for the Capital World Growth and Income FundSM - Class R-4 prior to May 15, 2002 is based upon the Class A performance, adjusted by fees associated with Class R-4.

**(10) The current yield reflects the deduction of all charges under the contract that are deducted from the total return quotations shown.**

(11) The Investment Option is neither a mutual fund nor part of a Separate Account. The returns listed do not include the impact of contract charges. Please refer to the contract or disclosure book to determine which Fixed Interest Options are available for your specific plan. The Investment Option is offered through ING Life and Insurance Annuity Company.

Insurance products and/or third party administration services are offered by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.